

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	Chapter 11
COMPUTE NORTH HOLDINGS, INC., <i>et al.</i> ¹)	Case No. 22-90273 (MI)
Debtors.)	(Jointly Administered)
)	Objection Deadline: December 28, 2022 at 4:00 p.m. (prevailing Central Time)
)	
)	
)	Re: Docket Nos. 91 & 256

**NOTICE OF ENTRY OF DE MINIMIS ASSET
SALE ORDER AND PROPOSED DE MINIMIS ASSET SALE
(7575 MANAGEMENT LLC)**

PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), on September 22, 2022 (the “Petition Date”), in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). The Debtors are seeking to sell certain assets with a fair market value of under \$1,000,000, including but not limited to computing equipment containers, power transformers, fixtures and equipment, spare parts, and any other miscellaneous assets (the “De Minimis Assets”), or subset(s) thereof, free and clear of all liens, claims, encumbrances, and other interests.

PLEASE TAKE FURTHER NOTICE that by order dated October 24, 2022 [Docket No. 256] (the “De Minimis Asset Sale Order”),² the Bankruptcy Court approved, among other things, certain procedures for the sale of De Minimis Assets (the “De Minimis Asset Sale Procedures”). All interested parties should carefully read the De Minimis Asset Sale Order and the De Minimis Asset Sale Procedures set forth therein. Copies of the De Minimis Asset Sale Order are available upon request to the Debtors’ claims and noticing agent, Epiq Corporate

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors’ service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the De Minimis Asset Sale Order.

Restructuring, LLC, at ComputeNorthHoldingsInfo@epiqglobal.com, and are available for download from the Case Website.

PLEASE TAKE FURTHER NOTICE that, in accordance with the De Minimis Asset Sale Procedures, the Debtors intend to sell or transfer the De Minimis Assets (the “De Minimis Asset Sale”) set forth on Exhibit A attached hereto (the “Sale Schedule”). In accordance with the De Minimis Asset Sale Procedures, the Asset Schedule identifies (a) the De Minimis Assets being sold or transferred, (b) the De Minimis Asset Purchaser and their relationship (if any) to the Debtors, (c) the selling price, and (d) the significant terms of the sale or transfer agreement, including, but not limited to, any payments to be made by the Debtors on account of commission fees to agents, brokers, auctioneers, and liquidators. Information regarding adequate assurance of future performance, if applicable, is being served concurrently herewith.

PLEASE TAKE FURTHER NOTICE that any objections to the De Minimis Asset Sale, the adequate assurance of future performance of the De Minimis Asset Sale Purchaser (if applicable), or the relief requested in connection therewith (a “Sale Objection”), must: (a) be in writing; (b) comply with the Bankruptcy Rules and the Local Rules; (c) set forth the specific basis for the Sale Objection; (d) be filed with the Clerk of this Court, 515 Rusk Street, Houston, Texas 77002, together with proof of service, on or before 4:00 p.m. (prevailing Central Time) on December 28, 2022 (the “Sale Objection Deadline”); and (e) be served so as to be actually received on or before the Sale Objection Deadline, upon the following parties (the “Objection Notice Parties”): (i) counsel to the Debtors, Paul Hastings LLP, 600 Travis Street, 58th Floor, Houston, Texas 77002, Attn: James T. Grogan III (jamesgrogan@paulhastings.com); 200 Park Avenue, New York, New York 10166, Attn: Luc Despins, Sayan Bhattacharyya, and Daniel Ginsberg (lucdespins@paulhastings.com, sayanbhattacharyya@paulhastings.com, and danielginsberg@paulhastings.com); and 71 South Wacker Drive, Suite 4500, Chicago, Illinois 60606, Attn: Matthew Micheli (mattmicheli@paulhastings.com); (ii) counsel to the official committee of unsecured creditors appointed in these Chapter 11 Cases (the “Committee”), McDermott Will & Emery LLP, 2501 North Harwood Street, Suite 1900, Dallas, Texas 75201, Attn: Charles R. Gibbs (crgibbs@mwe.com); One Vanderbilt Avenue, New York, New York 10017, Attn: Kristin K Going, Darren Azman, Stacy A. Lutkus, and Natalie Rowles (kgoing@mwe.com, dazman@mwe.com, salutkus@mwe.com, and nrowles@mwe.com); and (iii) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn: Jayson B. Ruff and Jana Whitworth (Jayson.B.Ruff@usdoj.gov and Jana.Whitworth@usdoj.gov).

PLEASE TAKE FURTHER NOTICE THAT, SHOULD AN OBJECTION BE TIMELY FILED, THE DE MINIMIS ASSETS SHALL ONLY BE SOLD OR TRANSFERRED UPON SUBMISSION OF A CONSENSUAL FORM OF ORDER RESOLVING THE OBJECTION AS BETWEEN THE DEBTORS AND THE OBJECTING PARTY OR FURTHER ORDER OF THE COURT AFTER NOTICE AND A HEARING.

PLEASE TAKE FURTHER NOTICE THAT, IF A SALE OBJECTION IS NOT FILED AND SERVED ON OR BEFORE THE SALE OBJECTION DEADLINE IN ACCORDANCE WITH THE DE MINIMIS ASSET SALE ORDER, THEN THE DEBTORS SHALL BE AUTHORIZED, PURSUANT TO THE DE MINIMIS ASSET SALE

ORDER, TO CONSUMMATE THE PROPOSED DE MINIMIS ASSET SALE IN ACCORDANCE WITH THE TERMS SET FORTH ON THE ATTACHED SALE SCHEDULE WITHOUT FURTHER NOTICE OR HEARING, AND YOU SHALL BE DEEMED TO HAVE WAIVED AND RELEASED ANY RIGHT TO ASSERT SUCH AN OBJECTION.

Dated: December 23, 2022
Houston, Texas

/s/ James T. Grogan III

PAUL HASTINGS LLP

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Counsel to the Debtors and Debtors in Possession

Exhibit A to De Minimis Asset Sale Notice**Sale Schedule¹**

De Minimis Assets being sold	<ol style="list-style-type: none"> 1. Standing desk frames attached to desktops that are owned by the Purchaser 2. Standing desk desktop converters 3. Desk chairs 4. Conference room tables, including the “Armory” and “Hollywood Bowl” conference room tables 5. White boards mounted to walls, including those mounted to the walls in the “Armory” conference room 6. Noise cancelling ceiling acoustic clouds, including those in the “Armory” conference room 7. Credenzas and conference room miniature refrigerators, including those in the “Palladium” and “Armory” conference rooms 8. Fully installed, wall-mounted television displays, including those mounted and/or located in the lower level operations area, and the “NOC”, “Armory”, and “Rockstar Lounge” areas 9. Logitech and Microsoft Teams electronic phone equipment, including those located in the “Armory”, “Hideout”, “Hollywood Bowl”, “First Ave”, “Palladium” and “Rockstar Lounge” conference rooms <p>For the avoidance of doubt, none of the Purchased Assets shall include any right, title or interest in or to (including any license to use) the Miner Sentry software, which includes but is not limited to the Seller’s customer mining statistics, infrastructure monitoring and control, cloud infrastructure, customer portal, operational business intelligence, asset management, financial, and CRM and ticketing systems.</p>
De Minimis Asset Purchaser and Relationship to Debtors	<p>7575 Management, LLC is wholly-owned by David Perill, a current member of the Compute North Holdings, Inc. board of directors and the ex-chief executive officer of the Debtors.</p> <p>7575 Management, LLC is also the existing landlord on the Debtors’ headquarters office space.</p>
Selling Price	\$20,000.00 cash

¹ Capitalized terms used in this Sale Schedule but not otherwise defined in this Sale Schedule shall have the meanings ascribed to them in the Asset Purchase Agreement between 7575 Management LLC and the Seller.

Material economic terms and conditions of the sale	The Purchaser assumes the following liabilities: (a) all Transfer Taxes; (b) all Asset Taxes for which the Purchaser is responsible under the Asset Purchase Agreement; and (c) all Liabilities arising from the ownership, use or operation of the Purchased Assets after the Closing (including Liabilities in respect of Taxes for taxable periods, or portions thereof, beginning on or after the Closing Date).
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